



**Report by the
Covenant Canadian Reformed Church at Grassie**

**To
General Synod 2022**

**Regarding the
Committee for Needy Students' Fund 2018-2020**

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Section 1 - Executive Summary

Background

General Synod Burlington 2010 founded the *Committee for Needy Students of Theology* (cited herein as the Committee for Needy Students' Fund CNSF) as a centralized federal body responsible to work with all member classes of the Canadian and American Reformed Churches. The CNSF was tasked to administrate financial support for all members of these churches who are enrolled as students at the Canadian Reformed Theological Seminary. (See Section 2 – Synodical Mandate and Support Guidelines) Synod Burlington appointed the CNSF to operate under the direction and counsel of the Covenant Canadian Reformed Church at Grassie. (Acts of Synod 2010 Art. 91.4) The CNSF has since endeavoured to fulfill this mandate, and reports back to each successive General Synod. The CNSF also reports annually to all member churches regarding funds dispensed and assessments per communicant member for the upcoming calendar year. The last report submitted by the CNSF to Synod was to General Synod Edmonton 2019. This report included CNSF activities from 2015 – 2017. Synod Edmonton reappointed Grassie Church for the purposes of administering the CNSF for the period of 2018 - 2020. (Acts of General Synod 2019 Art 100)

Current Situation

j) Funds Dispensed & Students Supported

This report will outline developments and funds dispensed inclusive of the years 2018 – 2020. The Committee has financially supported a total of **nine (9)** individual students since during this time. Between 2018-2020 a total of **\$132,216** was disbursed for costs relative to student grants and administrative costs. This is down \$71,744 from the previous triennial total of \$203,960.00 reported to Synod Edmonton 2019. Upon review and discussion within the committee, \$40,000 was withdrawn from the account and an investment was made with surplus funds into an account with Christian Stewardship Services at the end of 2020/early 2021 (cheque written in 2020 but deposited into investment account in January 2021). As our assets were previously held solely in a chequing account at a local Credit Union, we felt the fund was missing an opportunity to take advantage of interest accrual with fund surplus amounts at times when the fund was supporting less students than anticipated. This investment is accessible to be withdrawn at any time and any interest incurred will remain in the NSF account for redistribution. From January 13, 2021 to August 31, 2021 the investment gained \$1,755.72 in interest. The Committee endeavours to maintain an account surplus to address emergent or unexpected expenditures as students present them. All funds are held in an account with the Meridian Credit Union and an investment with Christian Stewardship Services. The Committee maintains fiscal accountability by means of dual signatories. Annual audits are performed by two appointed council members

on year-end Committee financial statements, and reported to the Covenant Canadian Reformed Church Council.

ii) Assessments

Churches continue to be assessed annually based on projected enrolment and anticipated fees. Individual church assessment is calculated on the membership base of the previous year as listed in the annual yearbook of the churches. The Committee sends assessment notices to member churches by November of each year. Typically, follow-up correspondence is required to ensure payment. Churches are encouraged to respond to assessments in a timely fashion. Rates per communicant member have been \$4 the last two years but due to the enrollment of more students this year the rate is expect to be near \$6-7. It can be noted with thankfulness that most member churches were able to fulfill their annual assessments during the period reviewed by this report.

iii) Grant Application Process and Student Relationships

Students who are eligible for financial assistance are made aware of the Fund and application process by means of the Canadian Reformed Theological Seminary (CRTS) website. An electronic link directs applicants towards the registrar where they are able to secure appropriate forms and contact information for the CNSF. The Committee operates an email account that serves as the primary communication tool with students. Upon receipt of budget requests for aid, visits are scheduled for each student to ensure that giving is conducted in a spirit of humility and brotherly love. This process assists the Committee with confidence that the funds dispensed are being granted to men that are convicted in their path to the ministry. With thankfulness the Committee can report that there is good cooperation and harmony between students and members of the CNSF.

Synod Dunnville 2016 directed the CNSF to review the 2013 CNSF Support Guidelines after receiving correspondence from three churches relative to adequate granting principals. The CNSF undertook this review and discovered that although the historical context regarding the provision of support provided adequate and timely support for students, the guidelines in fact did not reflect actual practice. As a result, changes were made to the guidelines that better reflected the function of the NCSF in its responsibility to balance the need for aid with sound financial stewardship. The churches were advised of these changes by means of a letter complete with amended Support Guidelines in April 2017. (See Section 2)

iv) Charitable Status Designation & Income Tax Act Compliance

The NSFC received recommendations from GS 2019 that we feel did not address the concerns regarding compliance with the ITA and the CRA. We would like GS 2022 to reconsider the proposal written in the report to GS 2019 as included below. Synod may not direct a church to conduct a charitable activity in a prescribed way. They may however, task a church to be responsible for ensuring that students of the Canadian Reformed Theological Seminary are financially supported.

The CNSF has made legal inquiries to ensure that the collection and disbursement of funds on behalf of the Canadian and American Reformed Churches is in compliance with the Income Tax Act (ITA) and the Canadian Revenue Agency. The information below is respectfully submitted as a result of legal counsel provided to the CNSF.

The ITA states that charities (i.e. CNSF supporting churches) must use their own resources to carry out their own charitable activity. There is an exception that deems a transfer from one registered Canadian charity to another Canadian charity to be its own activity. This allows Covenant Canadian Reformed Church of Grassie (Grassie Church) to carry on CNSF activities on behalf of other churches. Each charitable organization must cite as one of its stated purposes the activity for which it intends to extend charitable donations. As such, churches supporting the CNSF should ensure their registration with the CRA under the Income Tax Act reflects the activity of Fellowship (work of deacons, work as a denomination, supporting students training in theology), and more broadly Evangelism, Mission and Outreach. It is likely that most churches already have these purposes stated in their Declaration of Trust. While prescriptive language is not specifically required under the act, some general reference to the objects stated above may mitigate potential for non-compliance.

Given the above information, Grassie Church *must own the activity* of the CNSF in order to be compliant with the ITA. This does not preclude the ability of the federation to ensure conformity through the function of a Synod, attaching conditions and designations regarding the use of transferred funds (assessments). Notwithstanding this, it is clear that Synod may not direct a church to carry on the activities of supporting needy theological students. Recommendation options for Synod going forward are listed below. Both options have equal merit, ensuring that the organization (church) that holds the charitable status under the ITA is formally adopting the activity (CNSF) as its own. The options presented below are left to Synod to consider after appropriate discussion and submissions.

Recommendation Options to Synod 2022:

1) Request Grassie Church (or any other church) to administer the CNSF with a provision that provides Grassie Church council the autonomy to find an alternate church if council determines not to take on the charitable activity of the CNSF.

2) Synod may also appoint one or two churches as alternates to Grassie Church, given the same conditions exist wherein Grassie Church council determines not to take on the charitable activity of the CNSF.

Given the legal counsel provided to the CNSF, Grassie Church will commence financial reporting of all assessments received from churches by means of its' annual Charity Return (T3010 Form). Accordingly, each church will receive annual tax donation receipts from the CNSF.

Summary

The *CNSF* continues to be blessed with the requisite financial means to support students preparing for ministry in our Lord's church. We are thankful for God's providing hand, and delight in our task to assist in equipping future pastors and shepherds for His flock. All Praise for these gifts is due to our faithful Father in heaven!

Section 2 – CNSF Mandate and Support Guidelines

Committee for the Needy Students of Theology **Mandate**

Introduction:

1. The Committee for the Needy Students Fund (Background):

- a. The Covenant Canadian Reformed Church at Grassie, Ontario (“Grassie Church”) was originally appointed by General Synod Burlington 2010 as the “Committee for Needy Students of Theology” (the “Committee”), responsible for extending financial aid to Canadian and American Reformed students of theology who are in need of financial support, and are enrolled at the Canadian Reformed Theological Seminary (the “Seminary”).
- b. The Consistory with the Deacons (the “Council”) of the Grassie Church has appointed a committee consisting of four members of the church plus a liaison to the Council. The Committee will tend to all the day-to-day affairs of the fund.

2. The Mandate of the Committee is as follows:

- a. To propose to the Council a mandate for administering the Fund, and procedures for governing this Committee, within the mandates given to the Grassie Church by the General Synod’s of the Canadian Reformed Churches,
- b. To propose to Council guidelines for the support of needy students (refer to Synod’s recommendations).
- c. To establish the need for the support of students prior to each school year. Eligible students are encouraged to contact the committee by September 1st outlining the specifics of their request,
- d. To annually (each Fall) assess the churches in the Canadian and American Reformed Church federation (the “Federation”) , based on the number of communicant members in the current yearbook, in order to anticipate funding required for the upcoming calendar year,
- e. To report all activities on an ongoing basis to the Council via the Council liaison, and
- f. To report annually to each church in the Federation of the activities of the Committee. The report to the churches will be completed in the Spring, and will include an audited financial statement. In addition, the Committee will report tri-annually to the General Synod its activities and situation.

3. Committee Structure

- a. The structure of the Committee shall consist of a Chairman, a Vice-all, a Treasurer, a Secretary, and a Council member as liaison.

4. Duties of Committee Members:

- a. The Chairman is responsible for directing the activities of the committee in fulfilling its mandate. The chairman will call a meeting at regular intervals and as required.
- b. The Vice-All acts as Chairman and Secretary in their absence, and assists the Committee with carrying out its mandate.

c. The Treasurer is responsible for managing the receipts and disbursements of funds, and, together with the Chairman and Vice-All, is a signing officer on the bank account. In addition, the Treasurer

- i. Will be responsible for managing supporting documentation for all expenditures
- ii. Is to submit a bi-monthly statement of receipts and expenditures to the committee
- iii. Sets the annual assessment to be submitted to the churches in the Federation, with the Committee
- iv. Prepares the annual statement in January of each year, and presents it to the Committee for approval, and
- v. Assists the church appointed auditors in their task.

d. The Secretary is to keep minutes of all meetings and to distribute them electronically shortly after the meeting. The secretary shall manage and retain all incoming and outgoing communications. Outgoing communications shall be approved by the committee; urgent matters of communication must be reviewed and approved by the Chairman or Vice-All. The approval of out-gong communication does not apply to the matter of miscellaneous correspondence.

e. The Liaison is to keep Council informed of the activities of the Committee, to relay requests by the Committee for appointments and other matters, and to inform the Committee of decisions of Council that apply to the Committee.

5. Appointments:

Committee members are appointed by the Council, and will generally serve a four-year term, with the option of one additional term at the discretion of Council. Members will generally retire in rotation.

6. Auditors:

Council shall appoint two auditors to examine the books of the Treasurer at the end of each fiscal year.

7. Report to General Synod:

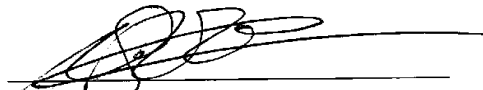
The Committee shall tri-annually submit a report to the Council (eight months prior to the next scheduled General Synod of the Federation), detailing its activities and outcomes, for Council review and submission to Synod in the appropriate timeframe.

October 18, 2017



Date: Dec 25 2017

K. Harink
Council Liaison



Date: Dec 6 2017

W. Vis
NSF Chairman



Needy Students Fund
 PO Box 641
 Smithville ON L0R 2A0
needystudentsfund@gmail.com

April 13th, 2017

RE: Needy Student Fund Guideline Amendments

Dear Brothers,

The Grassie-Covenant CanRC Committee for Needy Students Fund (NSF) has recently reviewed its operating guidelines in response to recommendations from General Synod Dunnville 2016. These recommendations can be found in the Acts of GS Dunnville 2016 Article 108. The acts note that the NSF has completed its mandate, and has done its work faithfully. Synod has reappointed the Grassie-Covenant CanRC NSF and mandated it to consider a review of guidelines in context of letters received from Winnipeg-Redeemer CanRC, Abbotsford CanRC and Willoughby Heights CanRC.

The NSF thanks the churches for their feedback and duly notes the concerns that were expressed. Our review has resulted in updating the guidelines to more accurately reflect the actual practice of the committee. These revisions will continue to ensure that the NSF exercises financial stewardship balanced with rendering charitable aid for theological students in need.

The guidelines changes include the following hi-lights and clarification;

- Additional unbudgeted student expenses will be funded if submitted with a proper accounting of need and receipts.
- Budget applications are *encouraged* to be submitted by Sept 1st, (late applications are discouraged but not excluded in recognition of individual circumstances)
- Elimination of provisions relating to extensive record keeping for pre-budgeted costs
- Deletion of reference to repayment with interest in cases of dismissal
- Monthly vehicle maintenance funding is exclusive of any repairs, replacements or unanticipated expenses (removed from guidelines and referenced in budget form only)
- General formatting of the document to reduce duplicity and enhance clarity and purpose of provisions

Please find the new approved guidelines attached for your information and reference. We remain available for further clarification if required and encourage any questions or comments to be directed to the committee via the undersigned.

Yours in Christ's service,

Br. Martin Schulenberg - Secretary
 Grassie-Covenant Needy Students Fund



SUPPORT GUIDELINES
for the
Needy Students Fund of the Canadian and American Reformed Churches

Providing financial aid to students of the
“Canadian Reformed Theological Seminary”

Preamble

The primary purpose of financial aid for theological students is to assist in their educational preparation for ministry, by providing aid to those students who demonstrate financial need.

In light of our human nature and that we all need God’s Grace and Spirit to guide us, the giving and receiving should be done in a spirit of humility and brotherly love.

Financial aid is administered by the Committee for the Needy Students Fund (the “Committee” and “the Fund”, respectively), a committee appointed by the Council of the Covenant Canadian Reformed Church of Grassie. Synod Burlington 2010 and Synod Dunnville 2016 have both appointed the Grassie church to administer this Fund.

Section 1 Principles

The following principles are basic to the administration of the Needy Student Fund of the Canadian and American Reformed Churches:

- 1.1. Financial aid shall be restricted to theological students of the Canadian and American Reformed Churches who are enrolled at the Theological Seminary of the Canadian Reformed Churches and who desire the office of minister in these churches.
- 1.2. The student has the primary responsibility for his educational and living expenses. The Fund will augment the student’s resources where requested by the student, and approved by the Committee. Students are expected to utilize existing personal assets (RRSP’s, equity, other savings) and family support, either prior to or in concert with any assistance from the Fund.
- 1.3. Students receiving support are expected to show good Christian stewardship of the funds provided to them, and organize their lifestyle and purchase choices accordingly. Additional expenses beyond submitted budget requests should be properly accounted for by way of receipts.
- 1.4. Financial aid will be administered in such a way as to affirm financial responsibility and integrity of both students and fund administration.
- 1.5. The administration of financial aid shall be individual, personal, pastoral, and confidential.
- 1.6. Applicants may request assistance on an annual basis. All requests must reflect all costs associated with realistic and anticipated living expenses. Students are encouraged to submit their budget application by September 1st to assist the committee with setting assessments for the next calendar year.

Section 2 Application Process

2.1. A student must apply to the Committee substantiating their request for support. The submission shall include a letter of request, as well as a completed Budget Request form.

2.2. Students are to submit requests by September 1st of the school year, and provide any other information requested by the Committee.

2.3. This document may be reviewed and amended as required upon approval of the Council of the Covenant Canadian Reformed Church of Grassie.

Section 3 Acknowledgements

To the Applicant:

3.1. I have read and am willing to abide by the Support guidelines for the Needy Students Fund as outlined in this document and adopted by the Council of the Covenant Canadian Reformed Church of Grassie on March 6th, 2021.

3.2 I declare that the information provided herein and listed on the attached Budget Request Form, accurately describes my financial position.

Signature of Applicant

Date


Signature of Committee Chairman, Date

Signature of Committee Clerk, Date

NSF Guideline Version: March 6, 2021
Approval:



Signature of NSF Chairman
Br. D. Bartels



Signature of Grassie Council Chairman
Rev. RJ den Hollander

Section 3 – 2018-2020 Financial Statements

Needy Student Fund Committee Statement of Receipts and Disbursements (CAD)

	<u>Notes</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Receipts				
Assessments		49,791	24,783	25,248
Prepaid Assessments				
Refunds to churches for overpayments		- 3,544	- 2,134	-2,783
Bank credit	1			
Returns from students	2	-	3,561	
Total Receipts		46,247	26,210	22,465
Disbursements/Expenses				
Student support		55,557	35,962	39,938
Bank Charges		16	17	15
Committee administration	3	-	565	145
Committee investments	4	40,000		
Total Disbursements/Expenses		95,574	36,544	40,098
Surplus / (deficit)		-49,327	-10,334	-17,633
Assessment per Communicant Member		4	2	2
No. of students Jan - May		3	3	5
No. of students Sept - Dec		4	3	2

Needy Student Fund Committee Statement of Financial Position as at December 31

Assets (CAD)				
Cash		30,418	83,113	97,678
Accounts receivable		4,316	316	32
Advances to Students	5	5,253	5,308	1,341
Total Assets		39,987	88,737	99,051
Liabilities and Surplus				
Accounts payable		762	185	164
Assessments received in advance				
Accumulated surplus		39,225	88,552	98,887
Total Liabilities and Accumulated Surplus		39,987	88,737	99,051

Notes

- 1 Membership share payout from CU
- 2 Support cheques stale dated or funds returned from students
- 3 Pre-certified cheques and office supplies
- 4 One time investment with Christian Stewardship Services (CSS) at the end of 2020
- 5 Regular support issued in Dec of current year for Jan of next year

Section 4 – Committee for Needy Students’ Fund Membership


Since 2018 the CNSF has experienced a turnover of seven members due to tenure expiration. Outgoing members, br. Klass Harink (council liaison 2015-2018), br. Will Ravensbergen (council liaison 2018-2021), br. Wolter Vis (chairman 2015-2018), br. Martin Schulenberg (secretary 2016-2019), br. Daniel Feenstra (secretary 2019-2020), br. Ryan Kingma (Treasurer 2016-2019), br. Derek Bartels (chairman 2018-2021) we are thankful for their dedication and labor in their respective Committee roles.

The committee meets monthly or on an *as needed* basis. There is good cooperation and harmony between all members of the CNSF and the Covenant Canadian Reformed Church Council.


2021 Needy Student Fund Committee Membership	
Chairperson	Br. Jeff Tenhage
Vice Chairperson	Br. Matt Jager
Secretary	Br. Tyson Blokker
Treasurer	Br. Kevin Hoeksema
Council Liaison	Br. Klass Harink

For the Committee and Council;

DATE: November 3rd, 2021



 Br. Jeff Tenhage
 Chairperson CNSF



 Br. Pete Feenstra
 Council Chair – Covenant Canadian Reformed Church